

Press Release

Office of Mayor Chuck Reed

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Mayor Chuck Reed Urges Congress to Extend Tax Credits for Solar and Clean Energy

SAN JOSE – With the midnight tax deadline approaching, Mayor Chuck Reed is urging Congress to extend a critical tax credit that enables families and businesses throughout California to switch to clean energy and helps fuel San José's growing clean tech industry.

“Without action by Congress, the clean energy tax credit will expire at the end of the year,” Mayor Reed said. “This tax credit is critical for America to achieve energy independence. Failure to act will result in less demand for clean energy, causing Silicon Valley companies to layoff hundreds of workers and scale back plans for growth just as the industry is poised for major expansion.”

Both the Senate and House of Representatives have passed legislation extending the tax credit and now must reconcile differences between their versions. While both versions include credits for residents and businesses that adopt clean renewable power such as solar or fuel cell, the House bill requires a reduction in oil subsidies to pay for the provision, while the Senate has not adopted similar provisions.

According to the Senate bill's authors, tax credits for renewable energy projects would help create at least 120,000 employment opportunities and bring almost \$20 billion in economic investment into the country—while non-renewal may result in the loss of thousands of jobs and billions of dollars of cancelled or lost orders for products. The tax credits are vital to encouraging investment in clean renewable power by encouraging early adoption by consumers by making the technology more competitive with traditional non-renewable power sources, such as oil and coal. Further, the tax credits add stability and predictability to the market, allowing Clean Tech companies and investors to budget for the future and allow potential consumers to purchase alternative energy systems with confidence.

Mayor Reed has advocated for extension of the current clean energy tax credit in recent trips to Washington, D.C., where he met with the California Democratic delegation, and Sacramento, where he encouraged Gov. Arnold Schwarzenegger to urge Republican legislators to support the tax credit.

Creating opportunities for residents and business to move to clean, renewable energy is a critical piece of San Jose's Green Vision, which sets 10 ambitious goals for environmental protection and economic development.

Renewable energy is a key component of the 15-year Green Vision, which envisions:

- Installing 100,000 solar roofs (1/10 of Gov. Schwarzenegger's 1 million solar roofs for California initiative).
- Reducing per capita electricity use by half.
- Moving to 100 percent renewable energy.
- Installing solar on city buildings and retrofitting facilities to save municipal costs.
- Creating 25,000 Clean Tech jobs.

"If more families and businesses can afford solar, it will have a tremendous impact on our growing clean tech economy, creating jobs in installation and manufacturing," Mayor Reed said.

San José, the nation's tenth-largest city, already is a leader in solar technology innovation, with leading corporations such as SunPower, SoloPower, Nanosolar, Stion, Fat Spaniel, and others headquartered here.

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